

For KCC Use:
Effective Date: 6-1-2010
District # 1
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1
October 2007
Form must be Typed
Form must be Signed
All blanks must be Filled

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date 07 month 12 day 2010 year

Spot Description: _____
SE SW NE NW Sec 1 Twp 26 S. R 38 E W

OPERATOR: License # 5952 ✓
Name: BP AMERICA PRODUCTION COMPANY
Address: P. O. BOX 3092, RM 3.454B, WL-1
City/State/Zip: HOUSTON, TX 77253-3092
Contact Person: DEANN SMYERS
Phone: (281) 366-4395

1250 feet from N / S Line of Section
1950 feet from E / W Line of Section
Is SECTION Regular Irregular?

CONTRACTOR: License # ADVISE IN ACO-1; MUST BE LICENSED WITH KCC
Name: _____

(Note: Locate well on Section Plat on Reverse Side)

County: Kearny
Lease Name: McKinney Gas Unit 'A' Well #: 4

Field Name: Hugoton - Panoma
Is this a Prorated/Spaced Field? Yes No

Well Drilled For: Oil Gas Enh Rec Storage Disposal Seismic; # of Holes Other
Well Class: Infield Pool Ext. Wildcat Other
Type Equipment: Mud Rotary Air Rotary Cable

Target Formation(s): Council Grove ✓
Nearest Lease or unit boundary: 1250 ✓

Ground Surface Elevation: 3130.9 feet MSL
Water well within one-quarter mile: Yes No

Public water supply within one mile: Yes No
Depth to bottom of fresh water: 180

Depth to bottom of usable water: 520
Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 600' min.

Length of Conductor pipe (if any): _____
Projected Total Depth: 3013 ✓

Formation at Total Depth: Council Grove ✓
Water Source for Drilling Operations: Well Farm Pond Other

DWR Permit #: will apply if needed
(Note: Apply for Permit with DWR)

Will Cores Be Taken?: Yes No
If yes, proposed zone: _____

If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Original Completion Date: _____ Original Total Depth _____

Directional, Deviated or Horizontal wellbore? Yes No
If yes, true vertical depth: _____

Bottom Hole Location _____
KCC DKT # 10-CONS-192-CIDW ✓

PRORATED & SPACED: HUGOTON-PANOMA

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101 et, seq. It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office **prior** to spudding of well;
2. A copy of the approved notice of intent to drill **shall be posted** on each drilling rig;
3. The minimum amount of surface pipe as specified below **shall be set** by circulating cement to the top; in all cases surface pipe **shall be set** through all unconsolidated materials plus a minimum of 20 feet into the underlying formation;
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is **necessary prior to plugging**;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 days** of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. **In all cases, NOTIFY district office** prior to any cementing.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 05/12/2010 Signature of Operator or Agent: [Signature] Title: REGULATORY STAFF ASSIST.

For KCC Use ONLY
API # 15- 093-21862-00-00
Conductor pipe required None feet
Minimum surface pipe required 600 feet per ALT. I II
Approved by: RH 5-27-2010
This authorization expires: 5-27-2011
(This authorization void if drilling not started within 12 months of effective date.)
Spud date: _____ Agent: _____

Remember to:
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If permit has expired (See: authorized expiration date) please check the box below and return to the address below
 Well Not Drilled - Permit Expired Date: _____
Signature of Operator or Agent: _____

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15- 093-21862-00-00
 Operator BP AMERICA PRODUCTION COMPANY
 Lease McKinney Gas Unit 'A'
 Well Number 4
 Field Hugoton

Number of Acres attributable to well: 833

QTR/QTR/QTR/QTR of acreage: SE - SW - NE NW

Location of Well: County: Kearny
1250 feet from N / S Line of Section
1950 feet from E / W Line of Section
 Sec 1 Twp 26 S. R. 38 E W

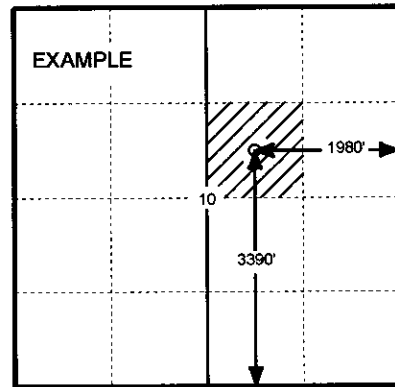
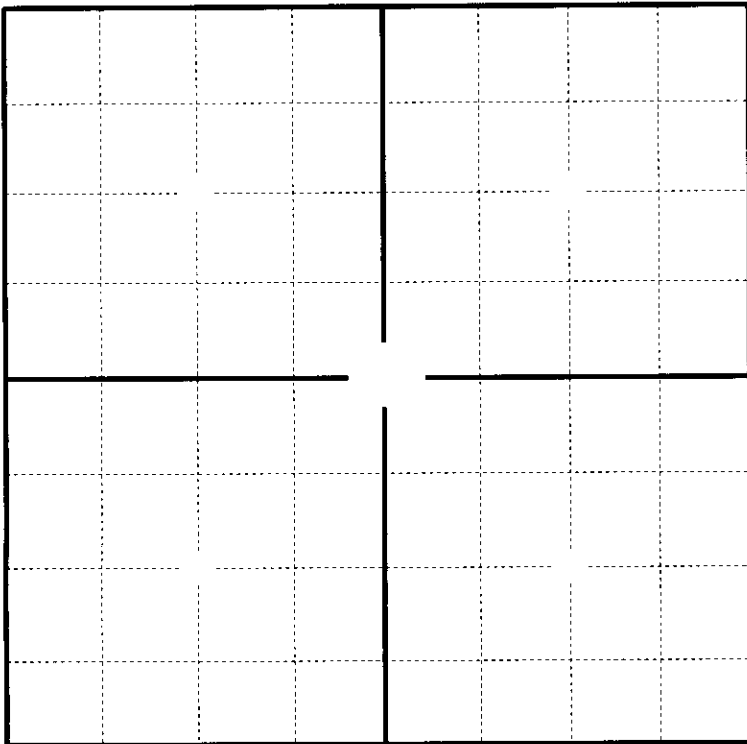
Is Section Regular Irregular

If Section is irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

*(Show location of the well and shade attributable acreage for prorated or spaced wells.)
 (Show footage to nearest lease or unit boundary line)*



SEWARD CO.

In plotting the proposed location of the well, you must show;

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.;
2. The distance of the proposed drilling location from the section's south/north and east/west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).

PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

Kansas Corporation Commission, Conservation Division
Finney State Office Building, 130 South Market, Room 2078
Wichita, Kansas 67202

10-CONS-192-C10W

API NUMBER 15- 093-21862-00-00
OPERATOR BP AMERICA PRODUCTION COMPANY
LEASE MCKINNEY GAS UNIT 'A'
WELL NUMBER 4
FIELD HUGOTON

LOCATION OF WELL: COUNTY KEARNY

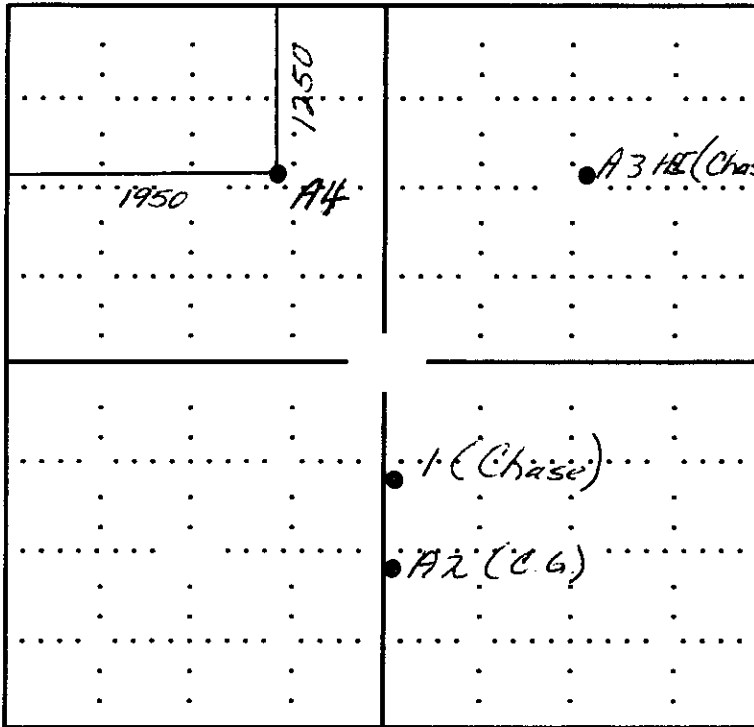
1250 FWL feet from south/north line of section
1950 FWL feet from east / west line of section

SECTION 1 TWP 26S (s) RG 38W E/W

NUMBER OF ACRES ATTRIBUTABLE TO WELL 832.56
QTR/QTR/QTR OF ACREAGE SW - NE - NW

IS SECTION X REGULAR or _____ IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM
NEAREST CORNER BOUNDARY. (check line below)
Section corner used: _____ NE _____ NW _____ SE _____ SW

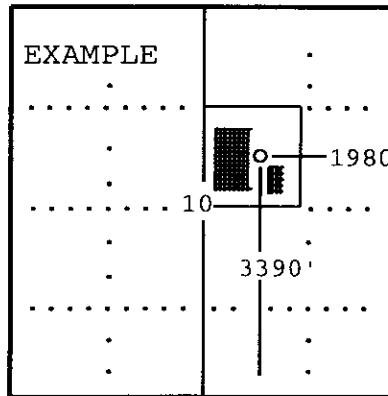
(Show the location of the well and shade attributable acreage for prorated or spaced wells).
(Show the footage to the nearest lease or unit boundary line; and show footage to the nearest common source supply well).



RECEIVED
KANSAS CORPORATION COMMISSION

MAY 19 2010

CONCESSIONS SECTION
WICHITA, KS



SEWARD CO.

The undersigned hereby certifies as REGULATORY STAFF ASSISTANT (title) for

BP AMERICA PRODUCTION COMPANY

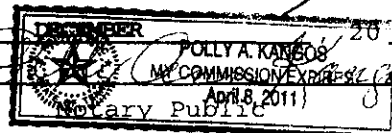
(Co.), a duly authorized agent, that all information shown hereon is true and correct to the best of my knowledge and belief, that all acreage claimed attributable to the well named herein is held by production from that well and hereby make application for an allowable to be assigned to the well upon the filing of this form and the State test, whichever is later.

Signature Debra Engen

Subscribed and sworn to before me on this 11 day of DECEMBER 2009

My Commission expires

April 8, 2011



APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: <u>BP America Production Company</u>		License Number: <u>5952</u>
Operator Address: <u>P. O. Box 3092, Houston, TX 77253-3092, Room 3.454B, WL-1</u>		
Contact Person: <u>DeAnn Snyers</u>		Phone Number: <u>(281) 366-4395</u>
Lease Name & Well No.: <u>McKinney Gas Unit 'A' #4</u>		Pit Location (QQQQ): <u>SW NE NW</u>
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If existing, date constructed _____ Pit capacity <u>4375</u> (bbls)	Sec. <u>1</u> Twp. <u>26S</u> R. <u>38</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>1250</u> Feet from <input checked="" type="checkbox"/> North/ <input type="checkbox"/> South Line of Section <u>1950</u> Feet from <input type="checkbox"/> East/ <input checked="" type="checkbox"/> West Line of Section <u>Kearny</u> County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits, only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is pit lined if a plastic liner is not used? <u>Sealed with Bentonite from drilling fluid</u>
Pit dimensions (all but working pits): <u>75</u> Length (feet) <u>75</u> Width (feet) _____ N/A Steel Pits Depth from ground level to deepest point <u>5</u> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <div style="text-align: right;">RECEIVED KANSAS CORPORATION COMMISSION MAY 19 2010 CONSERVATION DIVISION WICHITA, KS</div>
Distance to nearest water well within one-mile of pit <u>N/A</u> feet Depth of water well _____ feet	Depth to shallowest fresh water _____ feet. Source of information: _____ measured _____ well owner _____ electric log _____ KDWR	
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pond? <input type="checkbox"/> Yes <input type="checkbox"/> No	Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover <u>Bentonite</u> Number of working pits to be utilized <u>0</u> Abandonment procedure: <u>Evaporate & Backfill</u> Drill pits must be closed within 365 days of spud date.	
I hereby certify that the above statements are true and correct to the best of my knowledge and belief. <u>5/12/2010</u> _____ Date Signature of Applicant or Agent		
KCC OFFICE USE ONLY		RF9C
Date Received: <u>5-19-10</u> Permit Number: _____ Permit Date: <u>5-19-10</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

15-093-2/1862-00-00

May 19, 2010

BP America Production Company
PO Box 3092 Rm 3.45B WL-1
Houston, TX 77253-3092

Re: Drilling Pit Application
McKinney Gas Unit A Lease Well No. 4
NW/4 Sec. 01-26S-38W
Kearny County, Kansas

Dear Sir or Madam:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit within 96 hours of drilling completion. **Keep pits away from draws/drainage.**

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site:
www.kcc.state.ks.us/conservation/forms.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kathy Haynes".
Kathy Haynes

Environmental Protection and Remediation Department

cc: File